

**BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO**

In the Matter of the Protest of	)	
	)	DOCKET NO. 15643
[Redacted],	)	
	)	DECISION
Petitioners.	)	
_____	)	

On February 7, 2001, the Tax Discovery Bureau (Bureau) of the Idaho State Tax Commission issued a Notice of Deficiency Determination to [Redacted] (taxpayers), proposing income tax, penalty, and interest for 1994, 1997, and 1998 in the total amount of \$3,892.

The taxpayers filed a timely protest. However, they did not request a hearing and did not submit additional information. The Tax Commission, having reviewed the file, hereby issues its decision based upon the information contained in the file.

The taxpayers, residents of Idaho during all three years, appeared to meet the requirements for filing Idaho individual income tax returns. Because they did not file Idaho tax returns and did not answer correspondence, the Bureau issued a deficiency determination.

Idaho Code § 63-3045 (1)(a) states:

**Notice of redetermination or deficiency -- Interest.**

(1) (a) If, in the case of any taxpayer, the state tax commission determines that there is a deficiency in respect of the tax imposed by this title, the state tax commission shall, immediately upon discovery thereof, send notice of such deficiency to the taxpayer by registered or certified mail or by other commercial delivery service providing proof of delivery, whichever is the most cost efficient. The notice shall be sent to the taxpayer's last address known to the state tax commission. The notice of deficiency shall be accompanied by an explanation of the specific reason for the determination and an explanation of the taxpayer's right to appeal. Within sixty-three (63) days after such notice is mailed, the taxpayer may, at his option, file a protest in writing with the state tax commission and obtain redetermination of the deficiency.

When the taxpayers received the notice, [Redacted] wrote a letter of protest to the Bureau.

The letter, in its entirety said:

Please consider this letter a petition for redetermination. I do not disagree with the 1994 determination, however, owing to an embezzlement in my small business in 1997 & 1998, the determinations for those 2 years would be in error. The returns for these 2 years are in the process of being prepared, and I request an additional 45 days to complete these returns. At that time I would be able to pay in full for all 3 years.

Thank you for your patience and consideration.

The letter was received on April 12, 2001. When the Tax Commission did not receive the promised returns, the taxpayers' file was transferred to the Legal/Tax Policy Division for administrative review. The taxpayers did not respond to any of the letters sent to them subsequent to their appeal.

The deficiency notice and tax returns prepared by the Bureau were computed using the best available information including business records of the taxpayers' business [Redacted] and income shown in W-2s and 1099s issued to the taxpayers. [Redacted]. The taxpayers had not filed federal income tax returns for either 1997 or 1998, and their business, [Redacted], had not filed Idaho corporate income tax returns for any of the years at issue.

A Notice of Deficiency Determination issued by the Idaho State Tax Commission is presumed to be accurate. Parsons v. Idaho State Tax Com'n, 110 Idaho 572 (Ct. App. 1986). The burden is on the taxpayers to show that the tax deficiency is erroneous. Albertson's, Inc. v. State, Dept. of Revenue, 106 Idaho 810 (1984).

The taxpayers have submitted nothing to dispute the figures shown in the deficiency determination. Neither the taxpayers nor [Redacted] have filed Idaho income tax returns for the years 1994, 1997, and 1998.

WHEREFORE, the Notice of Deficiency Determination dated February 7, 2001, is  
APPROVED, AFFIRMED, and MADE FINAL.

IT IS ORDERED and THIS DOES ORDER that the taxpayers pay the following tax, penalty,  
and interest:

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
1994	\$766	\$192	\$423	\$1,381
1997	899	225	265	1,389
1998	876	219	191	<u>1,286</u>
			<b>TOTAL</b>	<b><u>\$4,056</u></b>

Interest has been computed through February 15, 2002.

DEMAND for immediate payment of the foregoing amount is hereby made and given.

An explanation of taxpayers' right to appeal this decision is enclosed with this decision.

DATED this \_\_\_\_ day of \_\_\_\_\_, 2002.

IDAHO STATE TAX COMMISSION

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COMMISSIONER

### **CERTIFICATE OF SERVICE**

I hereby certify that I have on this \_\_\_\_ day of \_\_\_\_\_, 2002, served a copy of the within and foregoing DECISION by sending the same by United States mail, postage prepaid, in an envelope addressed to:

[Redacted]

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ADMINISTRATIVE ASSISTANT 1